
Local government and Gender

*A pre-budget briefing from the
Women's Budget Group*

March 2020

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Pre-budget briefing by the Women's Budget Group



Key points:

- Women and girls rely disproportionately on services provided by local authorities because they still do the majority of unpaid care work in society and therefore rely on local services to help take up this work and for paid employment.
- Women – particularly BME and disabled women – have had their lives detrimentally harmed by funding cuts to local government since 2010 which amount to 49% cuts in budget in real terms or, 60 pence of every pound.
- Central government funding for local authorities announced in September 2019 marks a more generous settlement than those in recent years. Nonetheless, more investment is needed to reverse the damage done. However, this runs parallel to almost nationwide council tax increases. Many councils are still having to use reserves to compensate for cuts since 2010.
- Despite growing demand and widespread unmet need, social care spending fell by 3% between 2010/11 and 2017/18. Meanwhile, cuts to services elsewhere have meant that social care now accounts for nearly 70% of local authority spend.¹
- There was a 32.6% reduction in spending on all other services including transport, schools, community centres, housing, libraries, parks and playgrounds between 2010/11-2017/18.
- Cuts have also led to almost 1 million redundancies in councils across the UK and cuts to pay and conditions for the local government and school workforces since 2010.² Women make up 78% of council staff and 90% of support staff in schools so it is women's jobs which have been disproportionately lost.
- Local government is also responsible for services to support victims/survivors of domestic and sexual abuse: more than 75% of England's local authorities cut their spending on domestic violence refuges – by nearly a quarter (24%) – between 2010 and 2017. 17% of specialist women's refuges were forced to close between 2010 and 2014, and a third of all referrals to refuges are currently turned away.
- Government should develop a sustainable, long term plan for funding local authorities which enables them to meet their statutory duties. Proposals to remove central government funding and replace this with local business rates will hit the poorest local authorities hardest.

¹ MHCLG (2019) Local Government Financial Statistics England No.29 2019 <https://bit.ly/33W1Oj2>; (MHCLG (2019) Local Authority Revenue Expenditure and Financing: 2018-19 Provisional Outturn, England <https://bit.ly/33SKtr8>

² Office for National Statistics (June 2019) *Public sector employment UK, June 2019*

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/latest>

Why is local government important to women?

Services

Local government is responsible for providing or funding many of the services crucial to the daily lives and wellbeing of women and those they care for – children, families and vulnerable adults. These include social care, schools, housing, transport, youth and leisure services, public health, business support and planning and waste collection. Many of these services provide care to children and adults in need of support including disabled and elderly people. Women continue to do the majority of unpaid care work therefore these services are integral to redistributing unpaid care and ensuring women have equal opportunity to participate in the paid economy.

Employment

Local government is also a source of women's paid employment with 78% of council employees being women. On average women are overrepresented in the public sector making up just over two-thirds of public sector employees in the UK. 34% of employed women work in the public sector, compared to 18.5% of men.

For full-time employees, the hourly pay gap in the public sector (12.7%) remains lower than in the private sector (14.7%). This is also true for the pay gap among all workers which is 19% in the public sector and 23.8% in the private sector.³ Nonetheless, over 50% of local authority jobs are part time so the full-time figure does not necessarily convey the size of the actual public sector pay gap.

Statutory Duties

Local government has over 1300 statutory duties placed upon it emanating from multiple national government departments. Many of these requirements enable women to live full and healthy lives. For example, they include the duty to ensure that children are educated, the assessment of social care needs and care commissioning, the provision of a 'comprehensive and efficient' library service, the promotion of the welfare of children in need and the requirement to ensure sufficient childcare for working parents or those in education or training.

Other duties include waste collection, monitoring of air quality, maintenance of roads and bridges and reimbursement of travel operators for travel

concessions. Councils must also provide 'sufficient sanitary conveniences', ensure safe food and provide facilities for disabled people in their homes. Some duties are more prescriptive than others.

Many new duties, such as the proposed new duty on councils to provide assessment and accommodation for domestic abuse survivors, have been added since 2010, as funding has decreased.

How is local government funded?

There are 353 councils in England. 201 of them are district councils, with responsibility for waste collection, housing, planning and Council Tax collection. The rest are 'upper tier' authorities – shire county councils, containing shire districts – and 'single tier' London boroughs, metropolitan districts and unitary authorities, which are responsible for social care and education services, alongside all other local services.

There are three main sources of local government funding in England:

- 1) Grants from central government
- 2) Council Tax: A council tax is a direct taxation paid by residents and set by each individual authority. Authorities are able to retain all of the funding raised from council tax in their area to support their budget.
- 3) Business rates: Business rates are set by central government, which sets the multiplier. Currently local government collectively retains half of the income from business rates, the other half is paid by councils to central government, which uses the income to fund grants to local authorities.

The proportions of Business Rate and Council Tax income varies significantly between local authorities, depending on the local Council Tax base, demography and the services provided. In poorer areas and in those where the local economy is weak, income from Council Tax and Business Rates is lower than in council areas with more buoyant local economies, higher income residents and higher value properties.

Councils also raise funds from trading and investment and sales, fees and charges and may receive other income in from transfers and payments from other public bodies including other local authorities. Local authorities also may build up reserves to balance their

³ WBG (2018) Employment and earnings <https://wbg.org.uk/wp-content/uploads/2018/10/Employment-October-2018.pdf>

budgets by providing a resource to cushion the impact of unexpected events or emergencies⁴.

Some of this income is **controllable**, that is, authorities have some say over how the funding is used locally. Some other income streams are **non-controllable**, however, and are passed through authorities to other bodies and individuals such as schools and benefits claimants⁵.

In 2016-17, councils' 'controllable income' was £58.7bn. 'Non-controllable income' – passed directly through councils to schools and other bodies – was £50.4bn. In 2016-17 an average of 44% of controllable income – £25.8bn – came from central Government in the form of grants, including support for local services, Rate Support Grant, retained Business Rates and all other grants except those passed directly to other agencies such as schools. A further 38% – £22.2bn – was derived from Council Tax, 17% – £9.8bn – from sales, fees and charges and a further 2% – £1.1bn – from trading and investment. A further £50.4bn of ring-fenced funding was passed directly to schools and other bodies.

Cuts to Local Government Funding

Despite its importance for women and local wellbeing, local government has borne the brunt of the Coalition and Conservative governments' austerity measures since 2010 and also faced budget reductions through 'efficiency reviews', the Best Value regime and other cuts measures under previous administrations.⁶ Cuts have also impacted on important voluntary sector projects funded by local government.

The recent Spending Review began the process of reversing enormous cuts to local authority budgets since 2010⁷ and we in 2020 the new government is committing to 'levelling up' regional disparities yet the future of local government funding remains uncertain and precarious. In the period 2010/11-2017/18 central government funding for English councils fell by over 49%. In the period 2017/18-2018/19 alone Rate Support Grants (RDGs) from central government declined 65% as councils are forced into reliance on

retained Business Rates and Council Tax⁸. Once local income from Council Tax and Business Rates was factored in, this amounted to 28.6% real terms drop in spending power between 2010/11 and 2017/18⁹. The Local Government Association (LGA) has calculated that £16 billion will have been cut from councils' budgets between 2010 and 2020 – the equivalent of 60 pence from every pound of central government – taxpayer - funding.¹⁰

In September 2019, the new Chancellor announced a funding package of £3.5 billion for local authorities. This was a welcome announcement, yet the investment does not go far enough to compensate for cuts made since 2010. Not only does the actual investment fall short but councils and local authorities may now lack the staffing and/or infrastructure to best use this cash injection.

This short-term approach to local government funding is not sustainable. The government has not commented on its previous plans to fund local government solely from locally raised revenue (council taxes and business rates.) The move to using business rates rather than central funding to supplement council tax receipts will make the funding system no longer redistributive between local authorities in the richest and poorest areas. We welcome the Government's decision to delay implementation of 75% business rates retention and the Fair Funding Review until April 2021.

We call on the Government to review this funding system in the next Local Government Finance Settlement in order to make it more redistributive and move local government funding away from reliance on business rates and council tax.

Privatisation of Local Government

In addition to cuts, local government has also been the focus of central government policies requiring widespread commissioning and outsourcing of services¹¹. This began in 1980 with the Conservative Local Government and Planning Act 1980 and Compulsory Competitive Tendering. Private Finance

⁴ National Audit Office (2018) Local authorities <https://www.nao.org.uk/wp-content/uploads/2018/10/Departmental-overview-Local-authorities2017-18.pdf>

⁵ National Audit Office (2018) Local authorities <https://www.nao.org.uk/wp-content/uploads/2018/10/Departmental-overview-Local-authorities2017-18.pdf>

⁶ LGIU Local Government Information Unit (2008) *Back to Front: efficiency of back office functions* (<https://bit.ly/2BZbiOR>)

⁷ WBG (2019) An end to austerity? What the spending review means for women <https://wbg.org.uk/wp-content/uploads/2019/09/FINAL-Spending-review-response-06-09-19.pdf>

⁸ MHCLG (2019) Local Government Financial Statistics England No.29 2019 <https://bit.ly/33W1Oj2>; (MHCLG (2019) Local Authority Revenue Expenditure and Financing: 2018-19 Provisional Outturn, England <https://bit.ly/33SKtr8>

⁹ WBG (2018) Triple Whammy: the impact of local government cuts on women <https://wbg.org.uk/wp-content/uploads/2019/03/Triple-Whammy-the-impact-of-local-government-cuts-on-women-March-19.pdf>

¹⁰ Local Government Association (June 2018) *Moving the conversation on: LGA budget submission 2018* (<https://bit.ly/2lv7kii>)

¹¹ Starting with the Conservatives' Local Government and Planning Act 1980 and Compulsory Competitive Tendering

Initiatives (PFIs)¹², Best Value¹³ and other forms of privatisation were continued under Labour governments from 1997.

Almost 14% of GDP – £251.5 billion per year – was spent overall on UK public procurement in 2017 and local authorities account for a large proportion of outsourced public services by value across all sectors.¹⁴ 78% of social care jobs have been outsourced¹⁵ – largely to the private sector – while other forms of privatisation such as PFI, shared services and Public-Private Partnerships have resulted in large swathes of local authority workers finding themselves transferred involuntarily out of council employment. Academisation of schools has continued the outsourcing trend.

The Impact of Cuts and Privatisation on Women

Women, particularly Black and Minority Ethnic (BME) and disabled women have been disproportionately impacted by cuts to local government services and jobs because of their overreliance on local government services to help redistribute care and for paid employment¹⁶. This disproportionate impact is in part explained by the failure of local governments to properly assess the impact of cuts: in 2018 only 43 councils has conducted meaningful Equality Impact Assessments on cuts.¹⁷ These assessments are the main way in which public bodies adhere to the Public Sector Equality Duty which requires them to have ‘due regard’ for the equality of people with ‘protected characteristics’ (age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity).

These drastic reductions in funding have already had – and will increasingly have – a severe impact on councils’ ability to provide services and support to women and children and vulnerable people.¹⁸ They also have a negative impact on the ability of other public services and the voluntary sector to function

effectively. They are undermining prevention and leading to more crisis interventions, which are often costlier and less effective in the long term. Cuts have also led to almost 1 million redundancies in councils across the UK and cuts to pay and conditions for the local government and school workforces since 2010.¹⁹

Cuts to local services

From street lighting to women’s refuges, childcare to housing, parks to swimming pools and libraries – council services are part of the fabric of women’s everyday lives which is now disappearing²⁰. This is evident in the drastic reduction in expenditure on youth services (65%), planning services (53%), Sure Start (50%), housing (46%), highways and transport (37%) and cultural and related services (35%) between 2010/11 and 2016/17.

The impact of these cuts in this period on community services has been severe. For example:

- There has been 48% drop in the number of local authority subsidised bus services²¹
- More than 10% of libraries have closed.²²
- 1000 Sure Start centres,²³ almost 350 playgrounds and 159 community centres have closed since 2014²⁴
- £42 million had been cut from parks and open spaces expenditure²⁵
- There were one million fewer streetlights²⁶

Since 2016/17 cuts have continued. Overall revenue expenditure was down 0.6% in real terms in 2018/19 from 2017/18 .

Cuts to services for children and young people disproportionately impact women who still have the primary responsibility for childcare in most households, even when they are employed outside of the home. Women are more likely than men to depend on local bus services²⁷ and women are more likely to use libraries.²⁸ In addition, cuts to housing budgets are contributing to women’s inability to

¹² A private finance initiative (PFI) is a way of financing public sector projects through the private sector.

¹³ Department for Communities and Local Government (2011) Best Value Statutory Guidance https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/5945/1976926.pdf

¹⁴ House of Commons Public Administration and Constitutional Affairs Committee (9 July 2018) *After Carillion: Public sector outsourcing and contracting* (<https://bit.ly/2KlB7cw>)

¹⁵ Skills for Care (September 2018) *The State of the Adult Social Care Workforce in England 2018* (<https://bit.ly/2DARx2r>)

¹⁶ WBG and The Runnymede Trust (2018) *Intersecting Inequalities* <https://bit.ly/2PFRb1N>

¹⁷ UNISON (2014) *Counting the cost: How 2 cuts are shrinking women’s lives* (<https://bit.ly/2T3CVkh>)

¹⁸ National Audit Office (March 2018) *Financial Sustainability of Local Authorities 2018* (<https://bit.ly/2oQ6wwl>)

¹⁹ Office for National Statistics (June 2018) *Public sector employment UK, June 2018* (<https://bit.ly/2zO1hn9>)

²⁰ UNISON (2014) *Counting the Cost: How cuts are shrinking women’s lives* (<https://bit.ly/2T3CVkh>)

²¹ WBG (2018) *Gender and transport* <https://wbg.org.uk/wp-content/uploads/2018/10/Transport-October-2018-w-cover.pdf>

²² UNISON (2014) *Counting the Cost: How cuts are shrinking women’s lives* (<https://bit.ly/2T3CVkh>)

²³ The Guardian (5 April 2018) ‘1,000 Sure Start children’s centres may have shut since 2010’ (<https://bit.ly/2Gz9PDb>)

²⁴ Local Gov (12 November 2018) ‘Councils forced to close nearly 350 playgrounds in past four years’ (<https://bit.ly/2FhLnc>)

²⁵ UNISON (2014) *Counting the Cost: How Cuts Are Shrinking Women’s Lives* <https://www.unison.org.uk/content/uploads/2014/06/On-line-Catalogue224222.pdf>

²⁶ UNISON (2014) *Counting the Cost: How Cuts Are Shrinking Women’s Lives* <https://www.unison.org.uk/content/uploads/2014/06/On-line-Catalogue224222.pdf>

²⁷ WBG (2018) *Public Transport and Gender* (<https://bit.ly/2OM21lx>)

²⁸ The Conversation (14 March 2016) ‘Hard Evidence: how many people actually use libraries?’ (<https://bit.ly/1U0fdPF>)

access affordable housing.²⁹ Street lighting also affects women's safety and incidences of street harassment and assault.

Cuts to health and social care:

Austerity has been a cumulative process harming BME women and disabled women the most.³⁰ As a result of cuts elsewhere, costly crisis intervention has been required on the part of local governments. For example, despite growing demand and widespread unmet need, local authorities have faced a reduction of £6bn in social care budgets between 2010 and 2017, for which the 2-3% precept and additional funding in the Spring Budget 2017 and Spending Round 2019 do not compensate. Social care now accounts for nearly 70%³¹ of all local authority spend.

Funding social care through council tax or local business rates will deepen regional inequalities as the local authorities with the greatest demand for services are those that are able to raise the least through local taxation. As a result of spending cuts since 2008-09, the number of adults in receipt of these services has decreased by 33% from 1.5m to 1m adults in 2013-14. It is estimated that approximately 1.2m people aged 65 and over in England (1 in 8) have unmet care needs, an increase of 48% since 2010. Women rely more on adult social care for themselves and are also more likely to provide care, paid and unpaid, therefore these cuts regress efforts to redistribute care, close the gender pay gap and enhance women's participation in the labour market.

Cuts to public health have also been harmful – to the NHS as well as local government, as cuts in preventative services impact on demands on the NHS: preventative health services are delivered by local authorities but have been dramatically cut by £700 million – almost 25% - between 2015/16 and 2019/20³². The result was cuts in sexual health promotion (£17.6 million), substance misuse prevention (£34 million), children's services (£26 million), smoking cessation activities (£3.1 million) and obesity prevention (£1 million) in 2018/19 alone.

Cuts to the voluntary sector:

Over 50% of councils have made cuts to voluntary sector projects disproportionately greater than the overall cuts to their budgets.³³ This includes cuts to specialist services for women and BME women to tackle violence against women and girls (VAWG.) Women's Budget Group with the Women's Resource Centre research finds that more than 75% of England's local authorities slashed their spending on domestic violence refuges – by nearly a quarter (24%) – between 2010 and 2017.

The lack of refuge spaces saw 60% of vulnerable women and children turned away from centres in 2018-19.³⁴ A survey by Women's Aid revealed that 9.1 per cent of service providers received no local authority funding for their refuge service(s) for women and 20.6 per cent of providers received no local authority funding for their community based service(s) for women in 2017–18. 54.5 per cent of providers cited funding uncertainty as their biggest challenge to provision.³⁵

BME projects tackling violence against women and girls have historically been less well funded by local government than generic VAWG projects. Imkaan, an organisation that supports BME organisations fighting gender-based violence, found that the combined income of 15 BME VAWG projects in London was less than that of the one main generic provider in the capital, despite the fact that 40% of London's population is BME.³⁶ Across England, councils invested just £1.172 million across 24 BME projects tackling gender-based violence – less than 11% of total expenditure. Nonetheless, funding has been cut and services shifted to generic providers in some areas, undermining specialist provision for BME women.

Jobs, pay and privatisation

Due to women's overrepresentation in local government employment, redundancies, pay cuts and increased workloads and stress have disproportionately impacted women: between March 2010 and June 2019 there were 872,000 job losses within UK local government³⁷. With 78% of council

²⁹ WBG (2019) A Home of Her Own: Women and Housing

<https://wbg.org.uk/analysis/reports/a-home-of-her-own-housing-and-women/>

³⁰ WBG and the Runnymede Trust (2018) Intersecting Inequalities <https://www.runnymedetrust.org/uploads/PressReleases/Correct%20WBG%20report%20for%20Microsite.pdf>

³¹ MHCLG (2019) Local Government Financial Statistics England No.29 2019 <https://bit.ly/33W1Oj2>; (MHCLG (2018) Local Authority Revenue Expenditure and Financing: 2018-19 Provisional Outturn, England <https://bit.ly/33SKtr8>

³² Kings Fund (2018) Prevention is better than cure – except when it comes to paying for it <https://www.kingsfund.org.uk/blog/2018/11/prevention-better-then-cure-except-when-it-comes-to-paying-it>

³³ NCVO (17 February 2012) UK Civil Society Almanac 2012: How are public sector spending cuts affecting the voluntary sector? (<https://bit.ly/2vkufTs>)

³⁴ Women's Aid (2019) Domestic abuse: the annual audit summary (<https://bit.ly/2JZ11Z>)

³⁵ Women's Aid (2019) Domestic abuse: the annual audit summary (<https://bit.ly/2JZ11Z>)

³⁶ Imkaan (2016) *Capital Losses: The state of the BME ending violence against women and girls sector in London* (<https://goo.gl/rOmTpn>)

³⁷ ONS: UK Public sector employment, June 2019

³⁷ ONS: UK Public sector employment, June 2019

employees being women, this is a huge swathe of women's jobs being lost.

Local government pay and conditions have also trailed behind most of the public. Eight years of real term pay cuts between 2009 and 2017 resulted in an effective 21% pay cut for employees in this period³⁸. The Coalition government's public sector pay freeze was applied to local government workers for three years, starting in 2010, compared to two years elsewhere in the public sector, and local government employees did not receive the £250 compensation payment for public sector workers earning less than £21,000 a year during the pay freeze. Given the overrepresentation of women in this sector, cuts to local government jeopardise efforts to close the gender pay gap.

However, a two-year pay deal covering 2018-20 for the majority of local government workers covered by the National Joint Council for Local Government Services (NJC) will deliver a starting pay rate of £9 per hour outside of London from 1 April 2019. For the first time in many years this will be a higher bottom rate than for police support staff, Agenda for Change workers in the NHS, probation support staff and the lowest paid in further and higher education. This is a welcome change.

Cuts to local services have combined with social security changes and the onset of Universal Credit to leave women poorer in both cash and kind, since most cannot afford private housing, childcare and other services available to the well-off. Black and other ethnic minority women (BME) have felt the combined force of austerity in benefits and public services the hardest.³⁹ BME women are more likely than white women to live in poor households and have large families and dependent children. The multiple discrimination they face in the labour market means that they are also more likely to be unemployed than white women and therefore more dependent on benefits, public services and voluntary sector support.

Privatisation has also had a very negative impact on the pay, conditions and pensions of council and school workers – predominantly women.⁴⁰ It has also affected the content of their jobs, which have been stripped of 'emotional', skilled and caring content when outsourced, thereby reducing the quality of

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/latest>

³⁸ UNISON, GMB and Unite (2018) 'Council and School Workers Deserve a Pay Rise!' (<https://bit.ly/2BXAfKB>)

³⁹ WBG and The Runnymede Trust (2018) *Intersecting Inequalities* (<https://bit.ly/2PFrb1N>)

⁴⁰ Equal Opportunities Commission (1995) *The Gender Impact of CCT in Local Government* (<https://bit.ly/2VicNyQ>)

many local services.⁴¹ Some local authorities have also cut maternity pay and sick pay and imposed periods of unpaid leave. Unsurprisingly this has led to recruitment and retention problems in 71% of councils⁴², with social workers, planners and other professional groups proving hard to recruit.

The Future of Local Government Funding

It was welcome relief for local authorities to receive an injection of funds in September 2019, but the government has not yet said whether it will cancel plans to remove all central government funding, making councils solely reliant on council taxes and business rates. This would result in continued cuts to services and jobs, unevenly distributed across the country but overwhelmingly impacting women.

We call on the government to recognise the gendered impacts of cuts since 2010 and undertake meaningful Equality Impact Assessments on any plans for local government funding and, as a consequence, to scrap plans to remove central government funding from local authorities. Dramatic reinvestment, not further reduction, in funding for local government is needed to stop these detrimental impacts on the lives of all women and girls especially BME and disabled women.

Recommendations

- Local government funding needs to be urgently restored to a level which enables councils to meet their statutory obligations and also provide the preventive, non-statutory services which are vital to the wellbeing of women, children and those in need of care
- Adequate funding should come from taxation/central government, at least at the same level as for other public services
- The Government should carry out meaningful equality impact assessments of any proposed changes to local government funding
- Equality impact assessments of local government funding levels and proposed cuts should be carried out by central Government *and* local authorities
- The Fair Funding Review should look at the overall resources provided and available to councils, not simply re-distribution of the current 'pot'
- The distribution of central Government funding should ensure that the most deprived council areas are properly funded to reflect the greater

⁴¹ The Smith Institute (2014) *Outsourcing the Cuts: Pay and Employment Effects of Contracting Out* (<https://bit.ly/2BTfgZu>)

⁴² Local Government Association (2017) *Stats on the LG workforce* (<https://bit.ly/2EE1WtM>)

- reliance of poorer people and women on local services. Deprivation levels should be included in the local authority funding formula
- The shift to dependence on Business Rates and Council Tax should be reviewed
- Funding to meet all current social care needs should be made available from taxation, on the same basis as the NHS
- Funding cuts to women's services ought to be reversed at a minimum as part of a review of
- sustainable funding for the sector to support and protect women survivors/victims of sexual and domestic abuse
- Decent pay and conditions for local government workers should be ensured through adequate funding to councils.

UK Women's Budget Group, March 2020

The Women's Budget Group is an independent network of academics, civil society organisations, trade unionists and activists who analyse the gendered impact of economic policy.

For more information on women and local government please see our 2018 report:

[*Triple Whammy: the impact of local government cuts on women*](#)

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